

RICHLAND PARISH SHERIFF
Rayville, Louisiana

Annual Financial Statements
With Independent Auditor's Report
As of and for the Year Ended
June 30, 2010
With Supplemental Information Schedules

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 1/5/11

RICHLAND PARISH SHERIFF
Rayville, Louisiana

Annual Financial Statements
As of and for the Year Ended June 30, 2010
With Supplemental Information Schedules

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Independent Auditor's Report

RICHLAND PARISH SHERIFF
Rayville, Louisiana

I have audited the accompanying financial statements of the governmental activities and major funds of the Richland Parish Sheriff, a component unit of Richland Parish Police Jury, as of June 30, 2010, and for the year then ended, which collectively comprise the Sheriff's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Richland Parish Sheriff's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audit contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.


In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position and major fund of the Richland Parish Sheriff as of June 30, 2010, and the changes in its financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 6 through 10, the budgetary comparison information on pages 34 through 37, and the schedule of funding progress for the retiree healthcare plan on page 38 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with managements's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

RICHLAND PARISH SHERIFF
Rayville, Louisiana
Independent Auditor's Report,
June 30, 2010

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Richland Parish Sheriff's office basic financial statements as a whole. The supplemental information schedules listed in the table of contents are presented for the purpose of additional analysis and are not a required part of the financial statements of the Richland Parish Sheriff. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United State of America. In my opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

In accordance with *Government Auditing Standards*, I have also issued a report dated December 20, 2010, on my consideration of the Richland Parish Sheriff's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of my audit.


West Monroe, Louisiana
December 20, 2010

REQUIRED SUPPLEMENTARY INFORMATION
PART I

RICHLAND PARISH SHERIFF
Rayville, Louisiana

Management's Discussion and Analysis
June 30, 2010

As management of the Richland Parish Sheriff, I offer readers of the Richland Parish Sheriff's financial statements this narrative overview and analysis of the financial activities of the Richland Parish Sheriff for the fiscal year ended June 30, 2010. Please read it in conjunction with the basic financial statements and the accompanying notes to the financial statements.

Overview of the Financial Statements

This *Management Discussion and Analysis* document introduces the Sheriff's basic financial statements. The annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities (Government-wide Financial Statements) provide information about the financial activities as a whole and illustrate a longer-term view of the Sheriff's finances. The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Fund (Fund Financial Statements) tell how these services were financed in the short term as well as what remains for future spending. Fund Financial Statements also report the operations in more detail than the Government-Wide Financial Statements by providing information about the most significant funds. This report also contains other supplementary information in addition to the basic financial statements themselves.

Our auditor has provided assurance in her independent auditor's report that the Basic Financial Statements are fairly stated. The auditor, regarding the Required Supplemental Information and the Supplemental Information is providing varying degrees of assurance. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the other parts in the Financial Section.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the Richland Parish Sheriff's finances, in a manner similar to a private-sector business.

The *statement of net assets* presents information on all of the Richland Parish Sheriff's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Richland Parish Sheriff is improving or deteriorating.

The *statement of activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (for example, earned, but unused, sick leave).

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Richland Parish Sheriff, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Richland Parish Sheriff can be divided into two categories: governmental funds and fiduciary (agency) funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Richland Parish Sheriff maintains 2 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, and the Detention Center special revenue fund, which are considered to be major funds. Data from the other funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining schedules in the other supplemental information section of the report.

The Richland Parish Sheriff adopts an annual appropriated budget for the general fund and the special revenue fund. A budgetary comparison statement is provided for the major funds to demonstrate compliance with this budget.

Fiduciary funds. Fiduciary (agency) funds are used to account for resources held for the benefit of parties outside the government. Since these resources are not available to support the Richland Parish Sheriff's programs, Fiduciary (agency) funds are not reflected in the government-wide financial statement.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information in addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the Richland Parish Sheriff's performance.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. At the close of the most recent fiscal year, assets of the Richland Parish Sheriff exceeded liabilities by

\$1,398,675. A portion of the Richland Parish Sheriff's net assets reflects its investment in capital assets (equipment), less any related debt used to acquire those assets that is still outstanding. These assets are not available for future spending. Although the investment in capital assets is reported net of related debt, the resources needed to repay this debt must be provided from other sources.

An additional portion of the Richland Parish Sheriff's net assets represents resources that are subject to external restrictions (e.g., debt service). The balance in unrestricted net assets is affected by two factors: 1) resources expended, over time, by the Richland Parish Sheriff to acquire capital assets from sources other than internally generated funds (i.e., debt), and 2) required depreciation on assets.

STATEMENT OF NET ASSETS

	2010	2009
ASSETS		
Cash and cash equivalents	\$1,363,819	\$708,215
Investments		836,870
Receivables	921,768	734,217
Due from other funds	3,151	3,331
Inventory	21,690	16,413
Capital assets (net of accumulated depreciation)	936,847	925,686
TOTAL ASSETS	<u>\$3,247,275</u>	<u>\$3,224,732</u>
LIABILITIES		
Accounts payable	\$230,905	\$183,145
Salaries payable	187,411	180,812
Due to sheriff		3,344
Payroll deductions payable	989	1,367
Deferred revenue - protest taxes	44,011	46,477
Net OPEB obligation	1,021,508	
Compensated absences payable	363,776	384,199
TOTAL LIABILITIES	<u>1,848,600</u>	<u>799,344</u>
NET ASSETS		
Invested in capital assets, net of related debt	936,847	925,686
Reserved for inventory	21,690	16,413
Unrestricted	440,138	1,483,289
TOTAL NET ASSETS	<u>\$1,398,675</u>	<u>\$2,425,388</u>

STATEMENT OF ACTIVITIES

	2010	2009
Public safety:		
Personal services	\$7,918,151	\$6,531,055
Operating services	2,392,919	3,915,985
Materials and supplies	1,361,359	1,504,802
Travel	93,275	71,613
Depreciation expense	310,632	304,429
Total Program Expenses	<u>12,076,336</u>	<u>12,327,884</u>
Program revenues:		
Commissions on state revenue sharing	64,558	65,379
Commissions on fines and bonds	2,821	33,443

Civil and criminal fees	\$220,616	\$179,719
Commissions on licenses and taxes	77,234	69,507
Court attendance	1,360	1,420
Feeding and keeping prisoners	6,841,573	8,838,831
Tax notices, etc.	7,900	9,105
Total program revenues	<u>7,216,062</u>	<u>9,197,404</u>
Net Program Expenses	<u>(4,860,274)</u>	<u>(3,130,480)</u>
General revenues:		
Taxes		
Ad valorem	1,256,553	921,006
Sales tax	1,687,976	1,360,962
Grants and contributions not restricted to specific programs:		
Federal sources	123,743	
State sources	504,636	423,716
Local sources	99,010	70,569
Interest earned	166,176	188,431
Miscellaneous	50,884	46,203
Special items:		
Loss on sale/disposition of assets	<u>(55,417)</u>	<u>(79,834)</u>
Change in Net Assets	<u>(1,026,713)</u>	<u>(199,427)</u>
Net Assets - Beginning of year	<u>2,425,388</u>	<u>2,624,815</u>
Net Assets - End of year	<u>\$1,398,675</u>	<u>\$2,425,388</u>

Financial Analysis of the Government's Funds

As noted earlier, the Richland Parish Sheriff uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the governmental funds is to provide information on near-term inflows, outflows, and balances of expendable resources. Such information is useful in assessing the financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of June 30, 2010, combined governmental fund balances of \$1,847,112 showed a decrease of \$36,789 over June 30, 2009. The General Fund's portion of the unreserved, undesignated fund balance of \$1,685,906 shows an increase (of approximately \$433,143) from the prior year amount.

General Fund Budgetary Highlights

Differences between revenues of the original budget and the final budget of the General Fund were due primarily to the increase in anticipated ad valorem and sales taxes, civil and criminal fees, commissions on licenses and taxes and other revenues and a decrease in state supplemental pay, other state grants and use of money and property. The differences in the expenditures of the original budget and the final budget for the General Fund was due to an increase in personal services and capital outlay.

Differences between revenues of the original budget and the final budget of the Detention Center were due to an increase in state grants and a decrease in anticipated feeding and keeping prisoners. Differences between expenditures of the original budget and the final budget were due to an increase in personal services, materials and supplies, and travel and a decrease in operating services and capital outlay.

Capital Asset and Debt Administration

Capital assets. The Richland Parish Sheriff's investment in capital assets for its governmental activities as of June 30, 2010, amounts to \$936,847 (net of accumulated depreciation). This investment includes furniture and equipment. The increase in capital assets for the year was \$433,650. The decrease in capital assets for the year was \$322,625.

Long-term debt. At the end of the fiscal year, Richland Parish Sheriff had debt outstanding of \$1,405,707. Of this amount, \$384,199 is for compensated absences payable. The Richland Parish Sheriff also contributes to a single-employer defined benefit healthcare plan ("the Retiree Health Plan"). The plan provides lifetime healthcare insurance for eligible retirees through the sheriff's group health insurance plan. Net OPEB obligation associated with the Retiree Health Plan at June 30, 2010 is \$1,021,508.

Requests for Information

This financial report is designed to provide a general overview of the Richland Parish Sheriff's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Richland Parish Sheriff, 708 Julia Street, Suite 113, Rayville LA 71269.

December 20, 2010

BASIC FINANCIAL STATEMENTS

Statement A**RICHLAND PARISH SHERIFF
Rayville, Louisiana****STATEMENT OF NET ASSETS
June 30, 2010****ASSETS**

Cash and cash equivalents	\$1,363,819
Receivables	921,768
Due from other funds	3,151
Inventory	21,690
Capital assets (net of accumulated depreciation)	<u>936,847</u>
TOTAL ASSETS	<u>3,247,275</u>

LIABILITIES

Accounts payable	230,905
Salaries payable	187,411
Payroll deductions payable	989
Deferred revenue	44,011
Net OPEB obligation	1,021,508
Compensated absences payable	<u>363,776</u>
TOTAL LIABILITIES	<u>1,848,600</u>

NET ASSETS

Invested in capital assets, net of related debt	936,847
Reserved for inventory	21,690
Unrestricted	<u>440,138</u>
TOTAL NET ASSETS	<u>\$1,398,675</u>

The accompanying notes are an integral part of this statement.

Statement B

RICHLAND PARISH SHERIFF
Rayville, Louisiana
STATEMENT OF ACTIVITIES
June 30, 2010

Public Safety:	
Personal services	\$7,918,151
Operating services	2,392,919
Materials and supplies	1,361,359
Travel	93,275
Depreciation expense	<u>310,632</u>
Total Program Expenses	<u>12,076,336</u>
Program revenues:	
Commissions on state revenue sharing	64,558
Commissions on fines and bonds	2,821
Civil and criminal fees	220,616
Commissions on licenses and taxes	77,234
Court attendance	1,360
Feeding and keeping prisoners	6,841,573
Tax notices, etc.	<u>7,900</u>
Total program revenues	<u>7,216,062</u>
Net Program Expenses	(4,860,274)
General revenues:	
Taxes:	
Ad valorem	1,256,553
Sales tax	1,687,976
Grants and contributions not restricted to specific programs:	
Federal sources	123,743
State sources	504,636
Local sources	99,010
Interest earned	166,176
Miscellaneous	50,884
Special item - gain (loss) on disposal of assets	<u>(55,417)</u>
Change in Net Assets	(1,026,713)
NET ASSETS	
Beginning of year	<u>2,425,388</u>
End of year	<u><u>\$1,398,675</u></u>

The accompanying notes are an integral part of this statement.

Statement C

RICHLAND PARISH SHERIFF
Rayville, Louisiana
GOVERNMENTAL FUNDS

Balance Sheet, June 30, 2010

MAJOR FUNDS.....		
	GENERAL FUND	DETENTION CENTER	TOTAL
ASSETS			
Cash and cash equivalents	\$1,322,291	\$41,528	\$1,363,819
Receivables	411,502	510,266	921,768
Due from other funds	87,697	2,990	90,687
Inventory		21,690	21,690
TOTAL ASSETS	\$1,821,490	\$576,474	\$2,397,964
LIABILITIES AND FUND EQUITY			
Liabilities:			
Accounts payable	\$22,883	\$208,022	\$230,905
Salaries payable	67,701	119,710	187,411
Due to other funds		87,536	87,536
Payroll deductions payable	989		989
Deferred revenues	44,011		44,011
Total Liabilities	135,584	415,268	550,852
Fund Equity:			
Fund balance - unreserved - undesignated	1,685,906	161,206	1,847,112
Total Fund Equity	1,685,906	161,206	1,847,112
TOTAL LIABILITIES AND FUND EQUITY	\$1,821,490	\$576,474	\$2,397,964

The accompanying notes are an integral part of this statement.

RICHLAND PARISH SHERIFF
Rayville, Louisiana

Reconciliation of Governmental Funds
Balance Sheet to the Statement of Net Assets

For the Year Ended June 30, 2010

Total Fund Balances at June 30, 2010- Governmental Funds (Statement C)		<u>\$1,847,112</u>
Cost of capital assets at June 30, 2010	\$2,003,096	
Less: Accumulated depreciation	<u>(1,066,249)</u>	936,847
Elimination of interfund assets and liabilities:		
Due from other funds	87,536	
Due to other funds	<u>(87,536)</u>	
Long-term liabilities at June 30, 2010:		
Compensated absences	(363,776)	
Net OPEB obligation	<u>(1,021,508)</u>	<u>(1,385,284)</u>
Net Assets at June 30, 2010 (Statement A)		<u>\$1,398,675</u>

The accompanying notes are an integral part of this statement.

RICHLAND PARISH SHERIFF
Rayville, Louisiana
GOVERNMENTAL FUND TYPE

Statement of Revenues, Expenditures, and
Changes in Fund Balance

For the Year Ended June 30, 2010

MAJOR FUNDS.....		
	GENERAL FUND	DETENTION CENTER	TOTAL
REVENUES			
Taxes:			
Ad valorem	\$1,256,553		\$1,256,553
Sales	1,687,976		1,687,976
Intergovernmental revenues:			
Federal grants	123,743		123,743
State grants:			
State supplemental pay	192,986	\$271,760	464,746
Other	20,000	19,890	39,890
Local grants	97,810	1,200	99,010
Fees, charges, and commissions for services:			
Commissions on state revenue sharing	64,558		64,558
Commissions on fines and bonds	2,821		2,821
Civil and criminal fees	220,616		220,616
Commissions on licenses and taxes	77,234		77,234
Court attendance	1,360		1,360
Feeding and keeping of prisoners	20,249	6,821,324	6,841,573
Tax notices, etc.	7,900		7,900
Use of money and property	3,165	163,011	166,176
Other	36,206	14,678	50,884
Total revenues	<u>3,813,177</u>	<u>7,291,863</u>	<u>11,105,040</u>
EXPENDITURES			
Public safety:			
Current:			
Personal services and related benefits	2,515,348	4,401,718	6,917,066
Operating services	278,989	2,113,930	2,392,919
Materials and supplies	241,843	1,119,516	1,361,359
Travel and other charges	60,664	32,611	93,275
Capital outlay	293,040	140,610	433,650
Total expenditures	<u>3,389,884</u>	<u>7,808,385</u>	<u>11,198,269</u>

(Continued)

Statement D**RICHLAND PARISH SHERIFF**

Rayville, Louisiana

GOVERNMENTAL FUND TYPE - GENERAL FUND

Statement of Revenues, Expenditures, and

Changes in Fund Balance

	<u>GENERAL FUND</u>	<u>DETENTION CENTER</u>	<u>TOTAL</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	\$423,293	(\$516,522)	(\$93,229)
OTHER FINANCING SOURCES:			
Proceeds from sale of assets		46,590	46,590
Proceeds from insurance	<u>9,850</u>		<u>9,850</u>
Total Other Financing Sources	9,850	46,590	56,440
EXCESS (Deficiency) OF REVENUES AND OTHER SOURCE OVER EXPENDITURES	433,143	(469,932)	(36,789)
FUND BALANCE AT BEGINNING OF YEAR	<u>1,252,763</u>	<u>631,138</u>	<u>1,883,901</u>
FUND BALANCE AT END OF YEAR	<u>\$1,685,906</u>	<u>\$161,206</u>	<u>\$1,847,112</u>

(Concluded)

The accompanying notes are an integral part of this statement.

RICHLAND PARISH SHERIFF
Rayville, Louisiana

Reconciliation of Governmental Funds
Statement of Revenue, Expenditures, and Changes
in Fund Balances to the Statement of Activities

For the Year Ended June 30, 2010

Total net change in fund balances - governmental funds (Statement D)	(\$57,894)
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Amounts reported for governmental activities in the Statement of Activities are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeds depreciation in the period.	123,018
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Payments of long-term debt, including contributions to OPEB obligation, are reported as expenditures in governmental funds. However, those amounts are a reduction of long-term liabilities in the Statement of Net Assets and are not reflected in the Statement of Activities.	(1,021,508)
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In the Statement of Activities, certain operating expenses - compensated absences - are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid).	20,423
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Governmental funds do not report gain or loss on disposition of assets. In the Statement of Activities, loss on disposition of assets decreased when the asset is disposed.	<u>(111,857)</u>
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Change in net assets of governmental activities (Statement B)	<u>(\$1,047,818)</u>
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The accompanying notes are an integral part of this statement.

Statement E

RICHLAND PARISH SHERIFF
Rayville, Louisiana
Statement of Fiduciary Net Assets - Agency Funds

June 30, 2010

	<u>TAX COLLECTOR</u>	<u>CRIMINAL</u>	<u>SHERIFF'S CIVIL</u>	<u>WORK RELEASE</u>	<u>INMATE</u>	<u>TOTAL</u>
ASSETS						
Cash	\$912,640	\$75,318	\$12,683	\$288,116	\$109,800	\$1,398,557
Due from other funds					420	420
TOTAL ASSETS	<u>\$912,640</u>	<u>\$75,318</u>	<u>\$12,683</u>	<u>\$288,116</u>	<u>\$110,220</u>	<u>\$1,398,977</u>
LIABILITIES						
Due to other funds		\$148	\$13	\$420	\$2,990	\$3,571
Due to taxing bodies	<u>\$912,640</u>	<u>75,170</u>	<u>\$12,670</u>	<u>287,696</u>	<u>107,230</u>	<u>1,395,406</u>
TOTAL LIABILITIES	<u>\$912,640</u>	<u>\$75,318</u>	<u>\$12,683</u>	<u>\$288,116</u>	<u>\$110,220</u>	<u>\$1,398,977</u>

The accompanying notes are an integral part of this statement.

RICHLAND PARISH SHERIFF
Rayville, Louisiana

Notes to the Financial Statements
As of and For the Year Ended June 30, 2010

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As provided by Article V, Section 27 of the Louisiana Constitution of 1974, the sheriff serves a four year term as the chief executive officer of the law enforcement district and ex-officio tax collector of the parish. The sheriff also administers the parish jail system and exercises duties required by the parish court system, such as providing bailiffs, executing orders of the court, serving subpoenas, et cetera. As the ex-officio tax collector of the parish, the sheriff is responsible for the collection and distribution of ad valorem property taxes, parish occupational licenses, state revenue sharing funds, and fines, costs, and bond forfeitures imposed by the district court.

The sheriff has the responsibility for enforcing state and local laws, ordinances, et cetera, within the territorial boundaries of the parish. The sheriff provides protection to the residents of the parish through on-site patrols, investigations, et cetera, and serves the residents of the parish through the establishment of neighborhood watch programs, anti-drug abuse programs, et cetera. Additionally, the sheriff, when requested, provides assistance to other law enforcement agencies within the parish.

The accompanying financial statements of the Richland Parish Sheriff have been prepared in conformity with U.S. generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*, issued in June 1999.

A. REPORTING ENTITY

As the governing authority of the parish, for reporting purposes, the Richland Parish Police Jury is the financial reporting entity for Richland Parish. The financial reporting entity consists of (a) the primary government (police jury), (b) organizations for which primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board (GASB) Statement No. 14 established criteria for determining which component units should be considered part of the Richland Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component

RICHLAND PARISH SHERIFF

Rayville, Louisiana

Notes to the Financial Statements (Continued)

unit within the reporting entity is financial responsibility. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and:
 - a. The ability of the police jury to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury.
2. Organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the police jury maintains and operates the parish courthouse in which the sheriff's office is located and provides partial funding for equipment, furniture and supplies of the sheriff's office, the sheriff was determined to be a component unit of the Richland Parish Police Jury, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the sheriff and do not present information on the police jury, the general government services provided by that governmental unit, or the other governmental units that comprise the Richland Parish financial reporting entity.

B. BASIC FINANCIAL STATEMENTS - GOVERNMENT-WIDE STATEMENTS

The sheriff's basic financial statements include both government-wide (reporting the sheriff as a whole) and fund financial statements (reporting the sheriff's major fund). Both government-wide and fund financial statements categorize primary activities as either governmental or business type. All activities of the sheriff are classified as governmental.

The Statement of Net Assets (Statement A) and the Statement of Activities (Statement B) display information about the reporting government as a whole. These statements include all the financial activities of the sheriff, except for fiduciary funds. Fiduciary funds are reported only in the Statement of Fiduciary Net Assets at the fund financial statement level.

In the Statement of Net Assets, governmental activities are presented on a consolidated basis and are presented on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term obligations. Net assets are reported in three parts;

RICHLAND PARISH SHERIFF
Rayville, Louisiana
Notes to the Financial Statements (Continued)

invested in capital assets, net of any related debt; restricted net assets; and unrestricted net assets.

The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

Program Revenues - Program revenues included in the Statement of Activities (Statement B) are derived directly from parties outside the sheriff's taxpayers or citizenry. Program revenues reduce the cost of the function to be financed from the sheriff's general revenues.

Allocation of Indirect Expenses - The sheriff reports all direct expenses by function in the Statement of Activities (Statement B). Direct expenses are those that are clearly identifiable with a function. Indirect expenses of other functions are not allocated to those functions but are reported separately in the Statement of Activities. Depreciation expense, which can be specifically identified by function, is included in the direct expenses of each function. Interest on general long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

C. BASIC FINANCIAL STATEMENTS - FUND FINANCIAL STATEMENTS

The financial transactions of the sheriff are reported in individual funds in the fund financial statements. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. Fund financial statements report detailed information about the sheriff. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column.

A fund is a separate accounting entity with a self-balancing set of accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. Funds are classified into three categories; governmental, proprietary, and fiduciary. Each category, in turn, is divided into separate "fund types". Governmental funds are used to account for a government's general activities, where the focus of attention is on the providing of services to the public as opposed to proprietary funds where the focus of attention is on recovering the cost of providing services to the public or other agencies through service charges or user fees. Fiduciary funds are used to account for assets held for others. The sheriff's current operations require the use of only governmental and fiduciary funds. The governmental and fiduciary fund types used by the sheriff are described as follows:

RICHLAND PARISH SHERIFF
Rayville, Louisiana
Notes to the Financial Statements (Continued)

Governmental Fund Types

General Fund - The General Fund, as provided by Louisiana Revised Statute 13:781, is the principal fund of the sheriff and is used to account for the operations of the sheriff's office. The various fees and charges due to the sheriff's office are accounted for in this fund. General operating expenditures are paid from this fund.

Special Revenue Fund - The Detention Center Special Revenue Fund, is used to account for the proceeds of specific revenue sources such as grants and state and parish funds for maintaining state and parish prisoners. Those revenues are restricted to expenditures for specified purposes.

Fiduciary Fund Type - Agency Funds

The agency funds are used as depositories for civil suits, cash bonds, taxes, fees, et cetera. Disbursements from the funds are made to various parish agencies, litigants in suits, et cetera, in the manner prescribed by law. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

D. BASIS OF ACCOUNTING

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurement made regardless of the measurement focus applied.

1. Accrual:

Both governmental and business type activities in the government-wide financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

2. Modified Accrual:

The governmental funds financial statements are presented on the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial

RICHLAND PARISH SHERIFF
Rayville, Louisiana
Notes to the Financial Statements (Continued)

statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Governmental funds and the fiduciary type agency funds use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The sheriff considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The governmental funds use the following practices in recording revenues and expenditures:

Revenues

Ad valorem taxes and the related state revenue sharing are recorded in the year the taxes are due and payable. Ad valorem taxes are assessed on a calendar year basis and attach as an enforceable lien and become due and payable on the date the tax rolls are filed with the recorder of mortgages. Louisiana Revised Statute 47:1993 requires that the tax roll be filed on or before November 15 of each year. Ad valorem taxes become delinquent if not paid by December 31. The taxes are normally collected in December, January, and February of the fiscal year.

Intergovernmental revenues and fees, charges, and commissions for services are recorded when the sheriff is entitled to the funds.

Interest income on time deposits is recorded when the time deposits have matured and the income is available.

Substantially all other revenues are recognized when received by the sheriff.

Based on the above criteria, intergovernmental revenue and fees, charges, and commissions for services are treated as susceptible to accrual.

Expenditures

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

RICHLAND PARISH SHERIFF
Rayville, Louisiana
Notes to the Financial Statements (Continued)

E. CASH AND CASH EQUIVALENTS

Under state law, the sheriff may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 2010, the sheriff has cash and equivalents (book balances) totaling \$2,762,376 as follows:

Demand deposits	\$1,715,023
Petty cash	2,150
Time deposits	<u>1,045,203</u>
Total	<u>\$2,762,376</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits, or the resulting bank balances, must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Cash and cash equivalents (bank balances) at June 30, 2010, are secured as follows:

Bank balances	<u>\$3,129,618</u>
Federal deposit insurance	\$2,184,746
Pledged securities (uncollateralized)	<u>1,719,516</u>
Total	<u>\$3,904,262</u>

Because the pledged securities are held by a custodial bank in the name of the fiscal agent bank rather than in the name of the sheriff, they are considered uncollateralized (Category 3) under the provisions of GASB Codification C20.106; however, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the sheriff that the fiscal agent has failed to pay deposited funds upon demand. Further, LRS 39:1224 states that securities held by a third party shall be deemed to be held in the sheriff's name.

F. CAPITAL ASSETS

Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The sheriff maintains a threshold level of \$1,000 or more for capitalizing capital assets.

RICHLAND PARISH SHERIFF

Rayville, Louisiana

Notes to the Financial Statements (Continued)

Capital assets are recorded in the GWFS, but are not reported in the FFS. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes by the sheriff, no salvage value is taken into consideration for depreciation purposes. All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Furniture and fixtures	5 - 10 years
Vehicles	5 - 15 years
Equipment	5 - 20 years

G. RISK MANAGEMENT

The sheriff is exposed to various risk of loss related to torts; theft of, damage to, and destruction of assets and errors and omissions. To handle such risk of loss, the sheriff maintains commercial insurance policies covering his automobiles and surety bond coverage. No claims were paid on any of the policies during the past three years which exceeded the policies' coverage amounts. There were no significant reductions in insurance coverage during the year ended June 30, 2010.

H. SALES TAX

On October 7, 1989, voters of the parish approved a one-half of one per cent ($\frac{1}{2}\%$) sales tax dedicated for the purpose of providing additional funding for the law enforcement district. The tax was renewed in January 2000, and remains in effect for ten years. The sheriff's office has entered into an agreement with the Richland Parish Sales Tax Commission for collection of the tax. For this service, the sheriff's office pays the cost of establishing, operating, maintaining and administering the commission on a pro-rata basis with other tax recipient bodies in the parish.

I. VACATION AND SICK LEAVE

Employees hired prior to January 1, 1997, except field deputies and radio operators, are granted two weeks of vacation leave each year. Field deputies and radio operators are granted three weeks of vacation leave each year. Accumulated leave cannot be carried forward to succeeding years. Employees hired after January 1, 1997, earn two weeks of vacation time each year, credited to their account on a monthly basis. These employees may carry forward a maximum of two weeks vacation time into the following year.

RICHLAND PARISH SHERIFF

Rayville, Louisiana

Notes to the Financial Statements (Continued)

Employees earn one day of sick leave for each month of service. Employees are allowed to accumulate up to 240 hours of sick leave, which can be carried forward to succeeding years. Employees hired prior to January 1, 1997, are allowed to bring forward all leave accrued prior to that date. However, no additional sick leave will be credited to the employee until his or her balance is less than 240 hours.

2. RECEIVABLES

The receivables of \$921,768 at June 30, 2010, are as follows:

<u>Class of receivables:</u>	<u>General Fund</u>	<u>Detention Center</u>	<u>Total</u>
Taxes:			
Sales and use	\$396,000		\$396,000
Intergovernmental revenues:			
Other state grants		\$10,330	10,330
Local grants	861		861
Fees, charges, and commissions for services:			
Civil and criminal fees	6,841		6,841
Commissions on licenses and taxes	5,594		5,594
Court attendance	1,480		1,480
Feeding and keeping prisoners		467,997	467,997
Miscellaneous	726	31,939	32,665
Total	<u>\$411,502</u>	<u>\$510,266</u>	<u>\$921,768</u>

3. CHANGES IN CAPITAL ASSETS

A summary of changes in office furnishings and equipment for the year ended June 30, 2010, follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Furniture and equipment	\$771,490	\$182,058	(\$17,462)	\$936,086
Vehicles	<u>1,120,581</u>	<u>251,592</u>	<u>(305,163)</u>	<u>1,067,010</u>
Total assets	1,892,071	433,650	(322,625)	2,003,096
Less accumulated depreciation	<u>966,385</u>	<u>310,632</u>	<u>(210,768)</u>	<u>1,066,249</u>
Net capital assets	<u>\$925,686</u>	<u>\$123,018</u>	<u>(\$111,857)</u>	<u>\$936,847</u>

RICHLAND PARISH SHERIFF
Rayville, Louisiana
Notes to the Financial Statements (Continued)

4. PENSION PLAN

Substantially all employees of the Richland Parish Sheriff's office are members of the Louisiana Sheriff's Pension and Relief Fund (System), a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees.

All sheriffs and all deputies who are 18 years or older at the time of original employment, who earn not less than \$400 per month if employed after September 4, 1979 and before January 1, 1991; \$550 if employed between January 1, 1991 and December 31, 1999; and \$800 if employed after January 1, 2000 are required to participate in the System. Employees are eligible to retire at or after age 55 with at least 12 years of credited service and receive a benefit, payable monthly for life, equal to 3.33 percent of their final-average salary for each year of credited service. The retirement benefit cannot exceed 100 percent of their final-average salary. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least 12 years of service and do not withdraw their employee contributions may retire at or after age 55 and receive the benefit accrued to their date of termination as indicated previously. Employees who terminate with at least 20 years of credited service are also eligible to elect early benefits between ages 50 and 55 with reduced benefits equal to the actuarial equivalent of the benefit to which they would otherwise be entitled at age 55. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Louisiana Sheriffs Pension and Relief Fund, 6554 Florida Blvd., Suite 215, Baton Rouge, Louisiana 70806, or by calling (800) 586-9049.

Plan members are required by state statute to contribute 10 percent of their annual covered salary and the Richland Parish Sheriff is required to contribute at an actuarially determined rate. The current rate is 14.75 percent of annual covered payroll. Contributions to the System also include one-half of one percent of the taxes shown to be collectible by the tax rolls of each parish and funds as required and available from insurance premium taxes. The contribution requirements of plan members and the Richland Parish Sheriff are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Richland Parish Sheriff's contributions to the System for the years ended June 30, 2010, 2009, and 2008 were \$553,815, \$515,339, and \$460,519, respectively, equal to the required contributions for each year.

5. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

Plan Description. The Richland Parish Sheriff contributes to a single-employer defined benefit healthcare plan ("the Retiree Healthcare Plan"). The plan provides lifetime healthcare and life insurance for eligible

RICHLAND PARISH SHERIFF

Rayville, Louisiana

Notes to the Financial Statements (Continued)

retirees through the sheriff's group health insurance plan. Benefit provisions are established by the Richland Parish Sheriff in accordance with the provisions of Louisiana Revised Statute 33:1448. Employees are entitled to benefits upon reaching age 55 with at least 15 years of service. The sheriff's office pays 100% of the premiums for those retirees. The Retiree Healthcare Plan does not issue a publicly available financial report.

Effective with the year ending June 30, 2010, the Richland Parish Sheriff implemented Government Accounting Standards Board Statement Number 45, *Accounting and Financial Reporting by Employers for Post employment Benefits Other than Pensions* (GASB 45). The statement has been implemented prospectively. Using this method, the beginning other post employment benefit (OPEB) liability is set at zero and the actuarially determined OPEB liability relative to past service (prior to July 1, 2009) will be amortized and recognized as an expense over thirty years.

Funding Policy. The Richland Parish Sheriff currently contributes 100% of the cost of current year premiums for eligible retired employees. For the year ended June 30, 2010, the Richland Parish Sheriff contributed \$23,794 to the plan.

Annual OPEB Cost and Net OPEB Obligation. The sheriff's annual OPEB cost (expense) is calculated based on the annual required contribution (ARC) of the employer. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the sheriff's annual OPEB costs for the year, the amount actually contributed to the plan, and changes in the sheriff's net OPEB obligation to the retiree health plan.

Annual required contribution	\$1,045,302
Interest on net OPEB obligation	None
Adjustment to annual required contribution	None
Annual OPEB cost (expense)	<u>1,045,302</u>
Contributions made	<u>(23,794)</u>
Increase in net OPEB obligation	1,021,508
Net OPEB obligation at beginning of year	None
Net OPEB obligation at end of year	<u><u>\$1,021,508</u></u>

The sheriff's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the year ended June 30, 2010, was \$23,794, 2.33%, and \$1,021,508, respectively.

Funded Status and Funding Progress. As of June 30, 2009, the actuarial accrued liability for benefits was \$7,054,986, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$5,158,797 and ratio of the unfunded actuarial accrued liability to the covered payroll was 136.76%.

RICHLAND PARISH SHERIFF

Rayville, Louisiana

Notes to the Financial Statements (Continued)

The projection of future benefits for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Methods and Assumptions. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. The following simplifying assumptions were made:

Retirement age for active employees - Based on the historical retirement age for the covered group, active members were assumed to retire at age 55 or the earliest age after that at which they will have the minimum sufficient years of service with the sheriff's office to qualify for benefits.

Marital status - Marital status of members at the calculation date were assumed to continue throughout retirement

Mortality - Life expectancies were based on mortality tables from the National Center for Health Statistics. The 2003 United States Life Tables for Males and for Females, revised March, 2007, were used.

Turnover - Non-group-specific age-based turnover data from GASB Statement 45 were used as the basis for assigning active members a probability of remaining employed until the assumed retirement age and for developing an expected future working lifetime assumption for purposes of allocating to periods the present value of total benefits to be paid.

Healthcare cost trend rate - The expected rate of increase in healthcare insurance premiums was based on projections of the Office of the Actuary at the Centers for Medicare and Medicaid Services. A rate of 4.5% initially, increased to an ultimate rate of 6.1% after ten years, was used.

Health insurance premiums - 2009 age-adjusted health insurance premiums for retirees were used as the basis for calculation of the present value of total benefits to be paid..

Inflation rate - A long-term inflation assumption of 3.9% was based on projected changes in the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) in the 2009 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Disability Insurance Trust Funds for an intermediate growth scenario.

RICHLAND PARISH SHERIFF
Rayville, Louisiana
Notes to the Financial Statements (Continued)

Payroll growth rate - The expected long-term payroll growth rate was assumed to equal the rate of inflation.

Based on the historical and expected returns of the sheriff's short-term investments, a discount rate 2.00% was used. In addition, a simplified version of the entry age actuarial cost method was used. The unfunded actuarial liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at June 30, 2010, was twenty-nine years.

6. DUE FROM/TO OTHER FUNDS

Individual balances due from/to other funds at June 30, 2010, are as follows:

	<u>Due To</u>	<u>Due From</u>
General Fund		\$87,697
Detention Center Special Revenue Fund	\$87,536	2,990
Agency Funds:		
Criminal Fund	148	
Civil Fund	13	
Work Release	420	
Inmate Fund	2,990	420
Total	<u>\$91,107</u>	<u>\$91,107</u>

7. CHANGES IN GENERAL LONG-TERM OBLIGATIONS

The following is a summary of long-term obligation transactions for the year ended June 30, 2010:

	<u>Compensated Absences</u>
Long-term obligations at July 1, 2009	\$384,199
Additions	280,529
Deductions	(315,945)
Adjustments	14,993
Long-term obligations at June 30, 2010	<u>\$363,776</u>

Adjustment to compensated absences balance at June 30, 2010, was made to reflect differences due to changes in beginning and ending pay rates.

8. CHANGES IN AGENCY FUND BALANCES

A summary of changes in agency fund balances due to taxing bodies and others follows:

RICHLAND PARISH SHERIFF

Rayville, Louisiana

Notes to the Financial Statements (Continued)

	<u>Tax Collector Fund</u>	<u>Criminal Fund</u>	<u>Sheriff's Civil Fund</u>	<u>Work Release Fund</u>	<u>Inmate Fund</u>	<u>Total</u>
Balance, July 1, 2009	\$988,555	\$60,417	\$11,240	\$281,923	\$106,671	\$1,448,806
Additions	10,807,328	927,855	961,269	1,850,904	849,167	15,396,523
Reductions	<u>(10,883,243)</u>	<u>(913,102)</u>	<u>(959,839)</u>	<u>(1,845,131)</u>	<u>(848,608)</u>	<u>(15,449,923)</u>
Balance June 30, 2010	<u>\$912,640</u>	<u>\$75,170</u>	<u>\$12,670</u>	<u>\$287,696</u>	<u>\$107,230</u>	<u>\$1,395,406</u>

9. LEASE COMMITMENTS

At June 30, 2010, the entity was obligated under two operating leases, as follows:

A. The entity leases the Richland Parish Detention Center women's facility from Bayou Correctional Corporation, Inc. The lease is for a period of 20 years expiring July, 2018. Lease payments are 25% of the gross monthly payments received by the Sheriff for the care of prisoners who are incarcerated in the detention center.

B. The entity leases the Richland Parish Detention Center men's facility from R.D.C., Inc. The lease is for a period of twenty years expiring on October, 2017. Lease payments are 25% of the gross monthly payments received by the Sheriff for the care of prisoners who are incarcerated in the detention center.

10. LITIGATION AND CLAIMS

At June 30, 2010, the Richland Parish Sheriff is involved in several lawsuits. In the opinion of the sheriff's legal counsel, the outcome will not materially affect the financial statements.

**11. EXPENDITURES OF THE SHERIFF'S OFFICE
PAID BY THE PARISH POLICE JURY**

The Richland Parish Sheriff's office is located in the parish courthouse. The cost of maintaining and operating the courthouse, as required by Louisiana Revised Statute 33:4715, is paid by the Richland Parish Police Jury.

REQUIRED SUPPLEMENTARY INFORMATION

PART II

Schedule 1

RICHLAND PARISH SHERIFF
Rayville, Louisiana

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Year Ended June 30, 2010

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL (BUDGETARY BASIS)	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES				
Taxes:				
Ad valorem	\$875,000	\$1,254,000	\$1,256,553	\$2,553
Sales Tax	1,200,000	1,300,000	1,687,976	387,976
Intergovernmental revenues:				
Federal grants - federal revenue		3,582	123,743	120,161
State grants:				
State supplemental pay	344,000	204,000	192,986	(11,014)
Other state grants	56,800	20,000	20,000	
Local grant	8,527	8,527	97,810	89,283
Fees, charges, and commissions for services:				
Commissions on state revenue sharing	65,000	64,500	64,558	58
Commissions on fines & bonds	3,000	1,600	2,821	1,221
Civil and criminal fees	157,000	184,050	220,616	36,566
Commissions on license and taxes	35,000	61,000	77,234	16,234
Court attendance	200	200	1,360	1,160
Feeding and keeping prisoners			20,249	20,249
Tax notices, etc	16,000	21,000	7,900	(13,100)
Use of money and property	25,000	2,000	3,165	1,165
Other revenue	10,050	21,908	36,206	14,298
Total revenues	<u>2,795,577</u>	<u>3,146,367</u>	<u>3,813,177</u>	<u>666,810</u>
EXPENDITURES				
Public safety:				
Current:				
Personal services and benefits	2,232,945	2,750,000	2,515,348	234,652
Operating services	313,300	313,300	278,989	34,311
Materials and supplies	255,000	255,000	241,843	13,157
Travel and other charges	52,777	70,000	60,664	9,336
Capital outlay	105,000	125,000	293,040	(168,040)
Total expenditures	<u>2,959,022</u>	<u>3,513,300</u>	<u>3,389,884</u>	<u>123,416</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<u>(163,445)</u>	<u>(366,933)</u>	<u>423,293</u>	<u>790,226</u>

Continued

Schedule 1

RICHLAND PARISH SHERIFF
Rayville, Louisiana
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL (BUDGETARY BASIS)</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
OTHER FINANCING SOURCES				
Proceeds from insurance		\$11,800	\$9,850	(\$1,950)
Transfers in	<u>\$180,000</u>	<u>180,000</u>		<u>(180,000)</u>
Total financing sources	<u>180,000</u>	<u>191,800</u>	<u>9,850</u>	<u>(181,950)</u>
EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES	16,555	(175,133)	433,143	608,276
FUND BALANCES AT BEGINNING OF YEAR	<u>800,000</u>	<u>1,252,763</u>	<u>1,252,763</u>	<u>NONE</u>
FUND BALANCES AT END OF YEAR	<u>\$816,555</u>	<u>\$1,077,630</u>	<u>\$1,685,906</u>	<u>\$608,276</u>

(Concluded)

Schedule 2

RICHLAND PARISH SHERIFF
Rayville, Louisiana

BUDGETARY COMPARISON SCHEDULE
DETENTION CENTER FUND
For the Year Ended June 30, 2010

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL (BUDGETARY BASIS)</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES				
State grants:				
State supplemental pay	\$33,000	\$260,000	\$271,760	\$11,760
Other			19,800	19,800
Local grants			1,200	1,200
Fees, charges and commissions for services -				
Feeding and keeping prisoners	7,476,000	6,662,200	6,821,324	159,124
Use of money and property	170,720	154,320	163,011	8,691
Other revenue			14,678	14,678
Total revenues	<u>7,679,720</u>	<u>7,076,520</u>	<u>7,291,773</u>	<u>215,253</u>
EXPENDITURES				
Public safety:				
Current:				
Personal services and benefits	4,001,806	4,461,806	4,401,718	60,088
Operating services	2,344,400	2,244,400	2,113,930	130,470
Materials and supplies	1,047,000	1,122,000	1,140,621	(18,621)
Travel and other charges	14,000	29,000	32,611	(3,611)
Capital outlay	170,000	145,000	140,610	4,390
Total expenditures	<u>7,577,206</u>	<u>8,002,206</u>	<u>7,829,490</u>	<u>172,716</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>102,514</u>	<u>(925,686)</u>	<u>(537,717)</u>	<u>387,969</u>
OTHER FINANCING SOURCE (Use)				
Sale of assets	52,000	40,000	46,590	6,590
Transfers out	(180,000)			
Total financing source (Use)	<u>(128,000)</u>	<u>40,000</u>	<u>46,590</u>	<u>6,590</u>
EXCESS (Deficiency) OF REVENUES AND OTHER SOURCE OVER EXPENDITURES AND OTHER USE	<u>(25,486)</u>	<u>(885,686)</u>	<u>(491,127)</u>	<u>394,559</u>
FUND BALANCES AT BEGINNING OF YEAR	<u>1,043,699</u>	<u>956,760</u>	<u>631,138</u>	<u>(325,622)</u>
FUND BALANCES AT END OF YEAR	<u>\$1,018,213</u>	<u>\$71,074</u>	<u>\$140,011</u>	<u>\$68,937</u>

RICHLAND PARISH SHERIFF
Rayville, Louisiana

NOTE TO BUDGETARY COMPARISON SCHEDULE
For the Year Ended June 30, 2010

A proposed budget, prepared on the modified accrual basis of accounting, is published in the official journal at least ten days prior to the public hearing. A public hearing is held at the Richland Parish Sheriff's office during the month of June for comments from taxpayers. The budget is then legally adopted by the sheriff and amended during the year, as necessary. The budget is established and controlled by the sheriff at the object level of expenditure. Appropriations lapse at year-end and must be reappropriated for the following year to be expended.

Formal budgetary integration is employed as a management control device during the year. Budgeted amounts included in the accompanying budgetary comparison schedule include the original adopted budget amounts and all subsequent amendments.

**Richland Parish Sheriff
Retiree Healthcare Plan
June 30, 2010**

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
June 30, 2009	\$0	\$7,054,986	\$7,054,986	0.00%	\$5,158,797	136.76%

Note:

Generally accepted governmental accounting principles (GASB Codification Po50.131-132) require that the schedule present information from the last three actuarial valuations. Because the requirements of GASB 45 were implemented starting with the year ended June 30, 2010, only one year is available. Additional information will be added after each of the next two valuations. Subsequent to that, information will be presented for the latest three valuations.

OTHER SUPPLEMENTARY INFORMATION

PART III

RICHLAND PARISH SHERIFF
Rayville, Louisiana
SUPPLEMENTAL INFORMATION SCHEDULES
As of and For the Year Ended June 30, 2010

FIDUCIARY FUND TYPE - AGENCY FUNDS

TAX COLLECTOR FUND

Article V, Section 27 of the Louisiana Constitution of 1974, provides that the sheriff will serve as the collector of state and parish taxes, licenses, and fees. The Tax Collector Fund is used to collect and distribute these taxes, licenses, and fees to the appropriate taxing bodies.

CRIMINAL FUND

The Criminal Fund is a depository for fines, forfeitures, and costs in criminal cases. Payments are made from the fund to the Sheriff's General Fund, police jury, district attorney, clerk of court, and other recipients in accordance with applicable laws.

SHERIFF'S CIVIL FUND

The Sheriff's Civil Fund accounts for the collection of funds in civil suits, sheriff's sales, and garnishments. Payment of these collections to recipients are made in accordance with applicable laws.

WORK RELEASE FUND

The Work Release Fund accounts for inmate funds earned working outside of the detention center.

INMATE FUND

The Inmate Fund accounts for funds of inmates that are used for personal items purchased by the inmates at the concessions store located at the detention center.

RICHLAND PARISH SHERIFF
Rayville, Louisiana
FIDUCIARY FUND TYPE - AGENCY FUNDS

Combining Schedule of Changes in Balances
Due to Taxing Bodies and Others
For the Year Ended June 30, 2010

	TAX COLLECTOR FUND	CRIMINAL FUND	SHERIFF'S CIVIL FUND	WORK RELEASE FUND	INMATE FUND	TOTAL
UNSETTLED BALANCES DUE TO TAXING BODIES AND OTHERS AT BEGINNING OF YEAR	<u>\$988,555</u>	<u>\$60,417</u>	<u>\$11,240</u>	<u>\$281,923</u>	<u>\$106,671</u>	<u>\$1,448,806</u>
ADDITIONS						
Deposits - sheriff's sales, etc.			961,269			961,269
Fines, forfeitures, bonds, etc.		927,855				927,855
Ad valorem taxes	10,134,408					10,134,408
Protest taxes	8,290					8,290
State Revenue Sharing	432,035					432,035
Parish licenses	129,630					129,630
Interest on:						
NOW accounts	512					512
Delinquent taxes	6,797					6,797
Protested taxes held in escrow	5,154					5,154
Redemptions	47,481					47,481
Tax notices, etc.	36,197					36,197
Inmate deposits				1,850,904	849,167	2,700,071
In lieu of taxes	6,824					6,824
Total additions	<u>10,807,328</u>	<u>927,855</u>	<u>961,269</u>	<u>1,850,904</u>	<u>849,167</u>	<u>15,396,523</u>
Total	<u>11,795,883</u>	<u>988,272</u>	<u>972,509</u>	<u>2,132,827</u>	<u>955,838</u>	<u>16,845,329</u>
REDUCTIONS						
Deposits settled to:						
Richland Parish:						
Sheriff's General Fund	1,370,601	112,030	146,898	944,181		2,573,710
Assessor	1,023,534					1,023,534
Clerk of Court	6,880	45,961	20,205			73,046
Police jury	1,868,832	323,755				2,192,587
School board	4,449,793					4,449,793
Hospital	1,021,544					1,021,544
District attorney		117,434				117,434
Fire Districts	363,288					363,288
Indigent Defender Board		103,087				103,087
District judge - Division B		48,000				48,000

(Continued)

RICHLAND PARISH SHERIFF

Rayville, Louisiana

FIDUCIARY FUND TYPE - AGENCY FUNDS

Combining Schedule of Changes in Balances

Due to Taxing Bodies and Others, 2010

	TAX COLLECTOR FUND	CRIMINAL FUND	SHERIFF'S CIVIL FUND	WORK RELEASE FUND	INMATE FUND	TOTAL
REDUCTIONS (CONTD.)						
Deposits settled to (contd.):						
North Louisiana Crime Lab		\$29,366				\$29,366
Louisiana Commission on Law Enforcement		13,204				13,204
Judicial Expense Fund		29,889				29,889
Louisiana Forestry Commission	\$3,807					3,807
Tensas Basin Levee Board	405,679					405,679
Pension funds	299,610					299,610
Litigants			\$756,184			756,184
Refunds to inmates				\$900,950	\$848,608	1,749,558
Other settlements	69,675	90,376	36,552			196,603
Total reductions	<u>10,883,243</u>	<u>913,102</u>	<u>959,839</u>	<u>1,845,131</u>	<u>848,608</u>	<u>15,449,923</u>
UNSETTLED BALANCES						
DUE TO TAXING BODIES						
AND OTHERS AT END OF YEAR	<u>\$912,640</u>	<u>\$75,170</u>	<u>\$12,670</u>	<u>\$287,696</u>	<u>\$107,230</u>	<u>\$1,395,406</u>

**REPORTS REQUIRED BY
GOVERNMENT AUDITING STANDARDS
PART IV**

**Independent Auditor's Report Required
by *Government Auditing Standards***

The following independent Auditor's report on compliance with laws, regulations and contracts, and internal control over financial reporting is presented in compliance with the requirements of *Government Auditing Standards*, issued by the Comptroller General of the United States and the *Louisiana Governmental Audit Guide*, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor.

MARY JO FINLEY, CPA, INC.

A PROFESSIONAL CORPORATION

116 Professional Drive - West Monroe, LA 71291

Phone (318) 329-8880 - Fax (318) 329-8883

**Report on Internal Control Over Financial
Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed
in Accordance Government Auditing Standards**

RICHLAND PARISH SHERIFF
Rayville, Louisiana

I have audited the basic financial statements of the Richland Parish Sheriff, a component unit of the Richland Parish Police Jury, as of and for the year ended June 30, 2010 and have issued my report thereon dated December 20, 2010. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered Richland Parish Sheriff's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Richland Parish Sheriff's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the Richland Parish Sheriff's internal control over financial reporting.

A *deficiency in internal control* exist when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis.

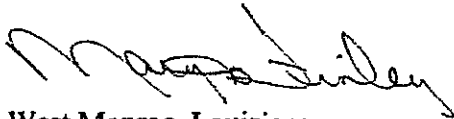
My consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. I did not identify any deficiencies in internal control over financial reporting that I consider to be material weaknesses, as defined above.

RICHLAND PARISH SHERIFF
Rayville, Louisiana
Independent Auditor's Report on Compliance
And Internal Control Over Financial Reporting, etc.
June 30, 2010

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Richland Parish Sheriff's basic financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that is required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Richland Parish Sheriff, management, and the Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties. Although the intended use of these reports may be limited, under Louisiana Revised Statute 24:513(G), this report is distributed by the Legislative Auditor as a public document.



West Monroe, Louisiana
December 20, 2010

**RICHLAND PARISH SHERIFF
Rayville, Louisiana**

**Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2010**

A. SUMMARY OF AUDIT RESULTS

1. The Auditor's report expresses an unqualified opinion on the general purpose financial statements of the Richland Parish Sheriff.
2. No instances of noncompliance material to the financial statements of the Richland Parish Sheriff were disclosed during the audit.
3. No significant deficiencies relating to the audit of the financial statements are reported in the Independent Auditor's Report on Internal Control.

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

None

**RICHLAND PARISH SHERIFF
Rayville, Louisiana**

**Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2010**

There were no audit findings reported in the audit for the year ended June 30, 2009.